

Message Text

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SIL-01 IGA-02 DODE-00 PM-05 H-02 L-03 PA-02
PRS-01 AGRE-00 DOE-11 SOE-02 /134 W
-----107748 102057Z /41

R 101754Z JAN 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 4658
DEPARTMENT TREASURY
INFO AMEMBASSY BERN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
AMCONSUL FRANKFURT

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USEEC ALSO FOR EMBASSY, USOECB ALSO FOR EMBASSY

DEPARTMENT PASS FEDERAL RESERVE

E.O. 11652: N/A
TAGS: EFIN, GW
SUBJECT: FINANCIAL DEVELOPMENTS
WEEK ENDING JANUARY 9, 1978

REF: BONN 20942 (77), BONN 70, BONN 388

1. SUMMARY -- IN THIS ISSUE: FINANCE MINISTER APEL
SEES A NEED FOR A SUPPLEMENTARY BUDGET IN 1978, GERMAN
INDUSTRY PESSIMISTIC ON EXPORT GROWTH, A CHANGE IN
HERMES EXPORT CREDIT INSURANCE IS UNDERWAY AND THE
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ENERGY CONSERVATION PROGRAM APPEARS DEADLOCKED.
END SUMMARY.

2. EDITORIALS ON U.S. EXCHANGE MARKET INTERVENTION:

INITIAL EDITORIALS GENERALLY WELCOMED U.S. DECISION ON
EXCHANGE MARKET INTERVENTION, BUT USED OCCASION TO

SERVE UP AGAIN A GOOD PORTION OF WARMED-OVER POLEMICS OF THE PAST FEW WEEKS. LATER STORIES STRESS THAT FOREIGN EXCHANGE MARKET INTERVENTION IS NO SUBSTITUTE FOR CORRECTION IN U.S. ECONOMIC POLICY AND THAT DM FOR U.S. INTERVENTION CAME FROM THE BUNDES BANK. FRANKFURTER ALLGEMEINE ENDS ITS JANUARY 7 EXPLANATION OF HOW SWAPS WORK WITH THE WISH THAT "ONE CAN ONLY HOPE THAT THE BUNDES BANK IS NOT INCURRING AN EXCHANGE RISK" (WITH NEW CREDITS TO THE U.S. TREASURY).

3. FOREIGN EXCHANGE MARKETS:

THE DOLLAR STRENGTHENED UPON ANNOUNCEMENT OF THE SWAP AGREEMENT, FELL BACK AND STRENGTHENED AGAIN WITH THE ANNOUNCED INTEREST RATE INCREASES IN THE U.S. TRADING ROOMS WERE REPORTEDLY HECTIC DURING THE PERIOD WITH HIGH DOLLAR VOLUMES. FOR THE PERIOD JANUARY 3-10, SPOT AND FORWARD DOLLAR RATES ON THE FRANKFURT EXCHANGE WERE AS FOLLOWS:

SPOT DOLLARS (IN DM PER \$1.00)	FORWARD DOLLARS (IN PCT. PER ANNUM)
OPENING FIXING	CLOSING
ONE-MONTH	THREE-MONTH

JAN 3	2.0925	2.0845	2.0775	-4.4	-4.4
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4	2.0545	2.0625	2.0665	-4.3	-4.5
5	2.1455	2.1500	2.1485	-4.1	-4.2
6	2.1410	2.1400	2.1287	-4.7	-4.1
9	2.1515	2.1503	2.1495	-4.7	-4.5
10	2.1430	2.1427	N.A.	N.A.	N.A.

4. GERMAN INDUSTRY EXPECTS WEAKER EXPORT GROWTH:

ACCORDING TO A SURVEY CONDUCTED BY THE FRANKFURTER ALLGEMEINE, MAJOR EXPORT INDUSTRIES IN THE FRG BELIEVE THEIR SALES ABROAD WILL GROW ONLY SLIGHTLY IN 1978, IF AT ALL. INCREASING COSTS AND PROTECTIONISTIC PRESSURES COMBINED WITH A LOSS OF COMPETITIVENESS AND GENERALLY SLOW GROWTH BY GERMANY'S MAIN TRADING PARTNERS WILL,

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PRS-01 AGRE-00 DOE-11 SOE-02 /133 W
-----107771 101924Z /41

R 101754Z JAN 78

FM AMEMBASSY BONN
TO SECSTATE WASHDC 4659
DEPARTMENT TREASURY
INFO AMEMBASSY BERN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
AMCONSUL FRANKFURT

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ACCORDING TO INDUSTRY RESPONSES, DAMPEN FOREIGN DEMAND IN 1978. THE BRANCHES OF INDUSTRY SURVEYED (MACHINERY, AUTOMOBILE, CHEMICAL, ELECTRONIC AND TEXTILES) ACCOUNT FOR ROUGHLY TWO-THIRDS OF TOTAL GERMAN EXPORTS. A SUMMARY OF INDIVIDUAL ASSESSMENTS OF THE OUTLOOK FOR 1978 FOLLOWS:

-- THE MACHINE CONSTRUCTION INDUSTRY WITH ALMOST 20 PERCENT OF TOTAL GERMAN EXPORTS, EXPERIENCED ONLY A MARGINAL RISE IN REAL EXPORTS IN 1977. EVEN WITH SOME "LARGE" PROJECT ORDERS, AS OCCURRED IN 1976, THE 1978 EXPORT OUTLOOK IS FOR NO GROWTH, ACCORDING TO THE INDUSTRY'S ASSOCIATION. LOSS OF COMPETITIVENESS BROUGHT UNCLASSIFIED

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ON BY THE APPRECIATION OF THE DEUTSCHE MARK IS A MAJOR FACTOR IN THE DEPRESSED OUTLOOK.

-- FOREIGN SALES OF THE AUTOMOBILE INDUSTRY (15 PERCENT OF TOTAL EXPORTS) ARE ALSO EXPECTED TO GROW ONLY

SLIGHTLY. EXPORTS OF PASSENGER CARS ARE UP SLIGHTLY BUT DEMAND FOR UTILITY VEHICLES HAS CLEARLY FALLEN. LACK OF GROWTH IN THE MAJOR CONSUMING COUNTRIES BECAUSE OF EXPECTED INCREASES IN ADMINISTRATIVE BURDENS (TAX INCREASES) WILL HINDER ANY EFFECTIVE IMPROVEMENT IN THIS SITUATION, ACCORDING TO THE ASSOCIATION OF GERMAN AUTOMOBILE MANUFACTURERS.

-- THE ASSOCIATION REPRESENTING THE CHEMICAL INDUSTRY (13 PERCENT OF TOTAL EXPORTS) SEES THE HIGH COST LEVEL AND CONTINUED APPRECIATION OF THE DM AS HEAVY BURDENS ON EXPORT SALES. INCREASING PROTECTIONISTIC BARRIERS ARE ALSO A FACTOR IN THE PESSIMISTIC OUTLOOK. UNDER CURRENT CONDITIONS, HOLDING THE 1977 LEVEL OF EXPORTS WOULD HAVE TO BE CONSIDERED A SUCCESS IN THE VIEW OF THE INDUSTRY ASSOCIATION.

-- THE ELECTRONIC AND TEXTILE INDUSTRIES FOR SIMILAR REASONS PREDICT WEAKER EXTERNAL DEMAND FOR THEIR PRODUCTS, ACCORDING TO THE SURVEY.

5. PROPOSED EASING OF HERMES SHORT-TERM EXPORT CREDIT INSURANCE CONDITIONS:
PROPOSED CHANGES IN THE FRG'S SHORT-TERM EXPORT CREDIT INSURANCE SYSTEM, INTENDED TO EASE CONDITIONS UNDER WHICH GERMAN EXPORTERS MAY APPLY FOR HERMES REIMBURSEMENT IN THE CASE OF NON-PAYMENT, HAVE RECEIVED MIXED REVIEWS FROM EXPORTERS. THE CHANGES, WHICH WOULD APPLY
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EXCLUSIVELY TO SHORT-TERM EXPORT CREDIT INSURANCE IF ADOPTED, WOULD ALLOW EXPORTERS TO FILE A CLAIM WITH HERMES ONCE A FOREIGN BUYER IS DELINQUENT BY SIX MONTHS IN HIS PAYMENTS. PRESENTLY, IN ORDER TO FILE FOR NON-PAYMENT EXPORTERS MUST NORMALLY OBTAIN A LEGAL JUDGMENT OF BANKRUPTCY AGAINST THE PURCHASER IN THE IMPORTER'S COUNTRY. THE KICKER IS; THE GOVERNMENT HAS PROPOSED THAT IN ORDER TO QUALIFY AN EXPORTER WILL HAVE TO PURCHASE COMPREHENSIVE TYPE INSURANCE COVERING AN ENLARGED BUT YET TO BE DETERMINED PORTION OF HIS FOREIGN DELIVERIES. RESPONDING BY LETTER FROM THE ASSOCIATION OF GERMAN EXPORTERS TO ECONOMICS MINISTER LAMBSDORFF, EXPORTERS, ALTHOUGH IN FAVOR OF THE STREAMLINED APPROACH, HAVE RECOMMENDED THAT THE COMPREHENSIVE INSURANCE COVER ONLY CREDITS WITH REPAYMENT TERMS OF UP TO ONE YEAR AND THAT THE PROVISION FOR COMPREHENSIVE COVER BE ALTERED TO EXCLUDE EXPORTS TO MEMBERS OF THE EC, OECD, COMECON AND MAINLAND CHINA. NO FIRM DATE HAS YET BEEN ESTABLISHED FOR IMPLEMENTING WHATEVER CHANGES ARE FINALLY ADOPTED.

6. DM 4.4 BILLION ENERGY CONSERVATION PROGRAM

DEADLOCKED:

THE DM 4.4 BILLION FOUR-YEAR ENERGY CONSERVATION PROGRAM AGREED ON BY THE FEDERAL CABINET IN MID-SEPTEMBER 1977, A PROJECT DESIGNED TO HELP STIMULATE ECONOMIC ACTIVITY AND TO BE FINANCED JOINTLY BY THE FEDERAL GOVERNMENT AND THE STATES, APPEARS TO BE STALEMATED. THE STATES OBJECT THAT THE FEDERAL GOVERNMENT WANTS TO FINANCE ITS PORTION BY AN INCREASE IN FUEL OIL TAXES WHILE THE STATES SHOULD FINANCE THEIR PORTION OUT OF PRESENT REVENUES. SOME STATE-LEVEL OPPONENTS ALSO ARGUE THAT THE PROGRAM WOULD PRIMARILY BENEFIT SECTORS ALREADY HAVING LARGE ORDER BACKLOGS AND, THEREFORE, WOULD HAVE NO APPRECIABLE STIMULATIVE EFFECT ON THE ECONOMY.

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OTHERS ARE REPORTED TO HAVE STRESSED CONSTITUTIONAL

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SIL-01 IGA-02 DODE-00 PM-05 H-02 L-03 PA-02
PRS-01 AGRE-00 DOE-11 SOE-02 /133 W
-----107774 101925Z /41

R 101754Z JAN 78

FM AMEMBASSY BONN
TO SECSTATE WASHDC 4660
DEPARTMENT TREASURY
INFO AMEMBASSY BERN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME

AMEMBASSY TOKYO
AMCONSUL FRANKFURT

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OBJECTIONS AND QUESTIONED THE WISDOM OF EXPANDING JOINT FEDERAL/STATE VENTURES WHICH THREATEN TO UNDERMINE THE FINANCIAL AUTONOMY OF THE STATES. ALSO QUESTIONED WAS, ACCORDING TO THE PRESS, THE EMPHASIS WHICH THE PROGRAM GIVES TO ECONOMIC STIMULATION AS OPPOSED TO ENERGY CONSERVATION. THIS SUGGESTS THAT THE PROJECTS INVOLVED SHOULD BE FULLY FINANCED BY THE FEDERAL GOVERNMENT. THE CHANCELLOR HAS REPORTEDLY THREATENED TO DROP THE PROGRAM IF THE STATES DO NOT SIGN THE ADMINISTRATIVE AGREEMENT REQUIRED FOR IMPLEMENTATION BY JANUARY 20. (NOTE: THE FEDERAL DRAFT BUDGET FOR 1978 PROVIDES DM 225 MILLION FOR THE PROGRAM.)

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7. FEDERAL EXPENDITURES IN STEP WITH APPROVED 1977 BUDGET:

FEDERAL GOVERNMENT OUTLAYS CONTINUE TO ACCELERATE. ACCORDING TO PRELIMINARY FINANCE MINISTRY FIGURES, FEDERAL EXPENDITURES DURING THE PERIOD JANUARY-NOVEMBER 1977 EXCEEDED COMPARABLE 1976 LEVELS BY 5.8 PERCENT, AS OPPOSED TO THE 5.9 PERCENT RISE OVER ACTUAL 1976 OUTLAYS IMPLIED IN THE APPROVED 1977 FEDERAL BUDGET. THE MINISTRY ESTIMATES THAT NET BORROWING IN 1977 AMOUNTED TO SOME DM 22.5 BILLION, I.E., SOMEWHAT MORE THAN THE DM 20.7 BILLION FEDERAL BUDGET AUTHORIZATION FOR 1977 -- A DEVELOPMENT REFLECTING AN INCREASE IN CHRISTMAS TAX EXEMPTIONS.

8. APEL SEES NEED FOR SUPPLEMENTARY BUDGET FOR 1978:

ACCORDING TO "DIE WELT", FINANCE MINISTER APEL ANNOUNCED THAT PREVIOUSLY UNFORESEEN EXPENDITURES, INCLUDING INCREASED SUBSIDIES TO COAL AND COKE PRODUCERS, WILL REQUIRE A SUPPLEMENTARY BUDGET FOR 1978. THIS WOULD RAISE THE 1978 FEDERAL DEFICIT TO SOME DM 32-33 BILLION, THE MINISTER REPORTEDLY SAID. THE GOVERNMENT'S ORIGINAL DRAFT PROVIDED FOR A DM 27.5 BILLION DEFICIT WHICH WAS RAISED TO DM 31 BILLION BY THE BUNDESTAG COMMITTEES (SEE BONN 70).

9. INCREASE IN MINIMUM RESERVES ON BANK'S FOREIGN

LIABILITIES:

THE BUNDES BANK HAS NOW GIVEN AN OFFICIAL INTERPRETATION FOR THE SPECIAL RESERVE RATIO WHICH WILL, EFFECTIVE JANUARY 1, 1978, BE APPLIED ON THE INCREASE IN A BANK'S UNCLASSIFIED

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FOREIGN LIABILITIES. (SEE BONN 20942 1977) THE SPECIAL RESERVE RATIO ON THE INCREASE WILL BE 80 PERCENT, NOT 100 PERCENT AS ORIGINALLY ANNOUNCED. TO THIS RATIO "NORMAL" RESERVE RATIOS FOR THE LEVEL OF FOREIGN LIABILITIES (WHICH WERE INCREASED TO 20 PERCENT FOR SIGHT DEPOSITS, 15 PERCENT FOR TIME DEPOSITS AND 10 PERCENT FOR SAVINGS DEPOSITS, EFFECTIVE JANUARY 1, -- SEE BONN 20942) ARE TO BE ADDED SO THAT THE TOTAL RESERVE RATIO FOR FOREIGN SIGHT DEPOSITS WILL BE 100 PERCENT, FOR FOREIGN TIME DEPOSITS 95 PERCENT AND FOR FOREIGN SAVINGS DEPOSITS 90 PERCENT.

10. MONEY MARKET:

CALL MONEY RATES IN THE FRG FLUCTUATED BETWEEN THE 3.0 PERCENT REDISCOUNT AND 3.5 PERCENT LOMBARD RATES DURING THE PERIOD UNDER REVIEW. ACCORDING TO THE FINANCIAL PRESS, INCREASED SUPPLY OF SHORT-TERM FUNDS GENERATED AS BANKS UNWOUND THEIR YEAR-END POSITIONS WAS AUGMENTED BY INCREASED LIQUIDITY EFFECTS OF REDUCTIONS IN CURRENCY IN CIRCULATION, PAYMENTS OF PUBLIC AUTHORITIES AND FOREIGN EXCHANGE PURCHASES OF THE BUNDES BANK. FURTHER REDUCTIONS IN THE CALL MONEY RATE WERE POSSIBLY CHECKED BY THE BANKS' DESIRE TO HOLD RELATIVELY HIGH RESERVE POSITIONS PENDING A CLEARER DETERMINATION OF WHAT RESERVE REQUIREMENTS WILL BE UNDER THE NEW SCHEDULE (SEE PREVIOUS PARAGRAPH). FOR THE PERIOD, FRANKFURT INTERBANK MONEY RATES WERE:

	CALL MONEY	ONE-MONTH	THREE-MONTH
JAN. 3	3.40-3.50	3.55	3.63
4	3.30-3.40	3.55	3.60
5	3.25-3.40	3.55	3.60
6	3.20-3.30	3.55	3.60

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PRS-01 AGRE-00 DOE-11 SOE-02 /133 W
-----107853 101925Z /41

R 101814Z JAN 78

FM AMEMBASSY BONN
TO SECSTATE WASHDC 4661
DEPARTMENT TREASURY
INFO AMEMBASSY BERN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
AMCONSUL FRANKFURT

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9 3.25-3.35 3.55 3.60

11. REDUCTION IN INTEREST RATES:

EFFECTIVE JANUARY 11, 1978, THE FEDERAL GOVERNMENT
WILL REDUCE YIELDS ON FEDERAL SAVINGS BONDS. WHEN HELD
UNTIL MATURITY, THE AVERAGE YIELD OF NEWLY ISSUED 6 YEAR
BONDS (ANNUAL INTEREST PAYMENTS) WILL BE 5.21 PERCENT
AND 5.46 PERCENT FOR 7 YEAR BONDS (ACCUMULATED INTEREST).
SALE OF BONDS CARRYING HIGHER YIELDS (5.50 PERCENT AND
5.75 PERCENT, RESPECTIVELY) WAS DISCONTINUED
DECEMBER 29, 1978.

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EFFECTIVE JANUARY 6, 1978, INTEREST RATES ON SO-CALLED "FINANZIERUNGSSCHAETZE" WERE ALSO REDUCED. "FINANZIERUNGSSCHAETZE" ARE TREASURY NOTES NOT RETURNABLE BEFORE MATURITY. THEY ARE SOLD IN DM 1.000 INCREMENTS TO DOMESTIC NON-BANKS IN DENOMINATIONS OF DM 1.000 TO DM 100.000. THE REDUCTIONS WERE AS FOLLOWS:

MATURITY INTEREST RATES YIELD

	NEW	OLD	NEW	OLD
1 YEAR	3.55	3.85	3.68	4.00

2 YEHFD

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IGRMQP RMRP RMEU RMUQ

12. CAPACITY UTILIZATION IN THE FRG:

CAPACITY UTILIZATION IN THE MANUFACTURING SECTOR, WHILE RECOVERING SOME LOST GROUND IN LATE 1977, REMAINED SUBSTANTIALLY BELOW THE LONG-TERM AVERAGE, AS INDICATED BY ESTIMATES OF THE IFO ECONOMIC RESEARCH INSTITUTE. QUARTERLY IFO CAPACITY UTILIZATION ESTIMATES COVERING THE PERIOD 1970-1977 ARE SHOWN BELOW:

IFO ESTIMATES OF CAPACITY UTILIZATION
IN THE MANUFACTURING SECTOR 1, 1970-
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1977

JANUARY APRIL JULY OCTOBER

1970	92.1	91.6	90.3	89.0
1971	88.6	88.4	86.9	86.1
1972	85.7	85.5	85.3	85.9
1973	87.1	87.5	86.5	85.7
1974	84.0	83.1	80.8	78.8
1975	77.3	76.2	76.3	78.4
1976	80.2	82.2	81.8	82.6
1977	83.6	82.9	81.7	82.7

1 EXCLUDING IRON AND STEEL, NON-FERROUS METALS,
CHEMICALS, CRUDE OIL PROCESSING, FOOD AND

STIMULANTS.

13. PRIVATE OUTLAYS FOR THE CONSTRUCTION OF NEW HOUSING UNITS ACCORDING TO THE ANNUAL REPORT OF THE COUNCIL OF ECONOMIC EXPERTS PUBLISHED IN LATE NOVEMBER 1977 ARE STILL BELOW THEIR 1973 HIGH. IN REAL TERMS, SUCH INVESTMENT IN 1975 AND 1976 FELL SHORT OF THE 1973 LEVEL BY DM 14.6 BILLION AND DM 11.8 BILLION, RESPECTIVELY.

(NOTE: NATIONAL ACCOUNTS DATA ON INVESTMENT IN RESIDEN-

TIAL CONSTRUCTION ARE RELEASED ONLY ON AN ANNUAL BASIS).

PERTINENT TABLE FOLLOWS:

PRIVATE INVESTMENT

IN RESIDENTIAL CONSTRUCTION, 1970-1976

	CURRENT PRICES	CONSTANT-1970-PRICES		
	BILL DM	PCT. OF GNP	BILL DM	PCT. OF GNP
1970	44.86	6.6	44.86	6.6
1971	55.05	7.3	49.69	7.1

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1972	66.89	8.1	56.68	7.8
1973	7261	7.9	57.41	7.5
1974	64.47	6.5	47.75	6.2
1975	59.19	5.7	42.78	5.7
1976	65.31	5.8	45.66	5.8

14. BOND MARKET:

ON THE MARKET FOR DOMESTIC BONDS PRICE INCREASES CONTINUED. THE DM 1.7 BILLION FEDERAL LOAN OFFERED DURING THE

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PRS-01 AGRE-00 DOE-11 SOE-02 /133 W

-----107940 101923Z /42

R 101814Z JAN 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4662

DEPARTMENT TREASURY

INFO AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

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AMCONSUL FRANKFURT

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PERIOD DECEMBER 29, 1977-JANUARY 4, 1978, WAS REPORTEDLY OVER-SUBSCRIBED. UPCOMING DOMESTIC ISSUES ARE A FEDERAL RAILWAY LOAN OF ABOUT DM 800 MILLION AND A LOAN OF THE EQUALISATION OF BURDENS BANK (TENAUSGLEICHSBANK) OF ABOUT DM 200 MILLION. ACCORDING TO THE PRESS THE AVERAGE CURRENT YIELDS OF OUTSTANDING DOMESTIC BONDS, BROKEN DOWN BY REMAINING MATURITY, WERE AS FOLLOWS:

REMAINING MATURITY

(YEARS)	1	3	5	7	9	10
JAN 6.1978	3.95	4.85	5.30	5.75	6.05	6.10

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DEC 30, 1977 4.05 4.90 5.35 5.85 6.15 6.20

FOREIGN DM BONDS:

DM BONDS OF THE FOLLOWING FOREIGN BORROWERS ARE CURRENTLY BEING OFFERED:

KINGDOM OF NORWAY: DM 200 MILLION, COUPON 4 3/4 PERCENT, ISSUE PRICE 100, MATURITY 5 YEARS.

SWEDISH FORSMARKS KRAFTGRUPP AB: DM 100 MILLION, 5 3/4 PERCENT, ISSUE PRICE 99 1/2, AVERAGE MATURITY 8 YEARS, YIELD TO MATURITY 5.83 PERCENT; GOVERNMENT OF FINLAND: DM 150 MILLION, 5 3/4 PERCENT, ISSUE PRICE 100, 8 YEARS. THE COUPON WAS REDUCED FROM THE ORIGINALLY PLANNED 6 PERCENT (SEE BONN 70).

THE BANQUE FRANCAISE DU COMMERCE EXTERIEUR (BFCE) PLANS
TO OFFER A DM 150 MILLION LOAN AT A COUPON OF PROBABLY
5 3/4 PERCENT AND A MATURITY OF 10 YEARS WITH REPAYMENT
TO BEGIN AFTER 7 YEARS.

15. ECONOMIC INDICATORS PUBLISHED THIS WEEK:

SEASONALLY ADJUSTED UNEMPLOYMENT

1977

THOUSANDS AS PCT. OF LABOR FORCE

	-----	-----
JAN	1020	4.5
FEB	1007	4.4
MAR	1009	4.4
APR	1024	4.5
MAY	1040	4.6
JUNE	1045	4.6
JULY	1050	4.6
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AUG	1045	4.6
SEPT	1038	4.6
OCT	1034	4.6
NOV	1036	4.6
DEC	1027	4.5

NON-SEASONALLY ADJUSTED FIGURES

(PERCENT CHANGE FROM PREVIOUS YEAR'S LEVEL)

AUGUST SEPTEMBER OCTOBER NOVEMBER

IMPORT PRICES1 -1.2 -1.0 -0.4 -0.9

EXPORT PRICES1 0.6 0.6 0.9 1.1

1 CALCULATED ON THE BASIS OF INDICES REFLECTING THE
DEVELOPMENT OF PRICES FOR A GIVEN (1970) BASKET OF GOODS.

NOVEMBER ORDER VOLUME AND INDUSTRIAL PRODUCTION DATA
WERE REPORTED IN BONN 388.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUDGETS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 jan 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN00474
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780015-0319
Format: TEL
From: BONN USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780178/aaaacnzy.tel
Line Count: 643
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7499eae4-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 BONN 20942, 78 BONN 70, 78 BONN 388
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3796634
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL DEVELOPMENTS WEEK ENDING JANUARY 9, 1978
TAGS: EFIN, GE
To: STATE TRSY
Type: TE
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